

# LEGISLATIVE update



## **PETROLEUM MARKETERS AND CONVENIENCE STORES OF IOWA**

January 23, 2018

### **IOWA LEGISLATURE CONVENES**

The second session of the 87<sup>th</sup> General Assembly began Monday, January 8. Legislative per diems end on the 100<sup>th</sup> day of the session, which falls on Tuesday, April 17. Lawmakers hope to finish their work ahead of this date in less than 90 days. It's an election year. Primaries are set for June 5 and the end of the candidate filing period is March 16. PMCI members are represented by veteran lobbyists, Dawn Carlson, CEO, registered lobbyist for 30 years, and Kellie Paschke and Troy Skinner, Skinner & Paschke, PLLC. PMCI also has a team of professionals in the office supporting the association's advocacy efforts. If you have a question or feedback on legislative matters, you are encouraged to contact PMCI.

### **STATE BUDGET**

As was the case last year, the state budget deficit is coloring everything. There is a disagreement among state agencies and leaders on what the deficit is after considering the recent federal tax changes. Some estimate there is an additional \$100M revenue impact due to federal deductibility changes, while some believe that impact should go directly back to Iowans and not be used to fill the state's budget. The budget discussions directly impact PMCI members in many aspects.

Specifically, legislation was introduced last year (and it remains alive this year) that would disrupt and even end the tax credits that retailers receive for selling ethanol and biodiesel... even though lawmakers recently reviewed these credits (in 2016) and reauthorized them for a period of seven years. Investments have been made by PMCI members based on the law passed in 2016.

We encourage PMCI members to evaluate the financial impact of these tax credits along with the renewable fuel infrastructure grant monies on their business and their ability to market biofuels favorably to consumers. This information will be important as we educate lawmakers on the positive role they play vs. mandating biofuel sales.

### **GOVERNOR'S APPROACH TO TAX CREDITS & RENEWABLE INFRASTRUCTURE FUNDING**

In Governor Reynolds state of the state address, she proposed a tax credit review group be organized to take a holistic approach outside of session and evaluate all tax credits. This view differs from lawmakers. We are pleased with the Governor's recommendation and will work to support her approach so that more information can be gathered and studied on all tax credits, not just the renewable fuel credits. Also, the Governor proposed that the \$3M appropriation for the renewable fuel infrastructure program (which provides grants to PMCI members installing biofuel compatible equipment) be funded directly out of state's rebuild Iowa infrastructure fund. The Iowa department of agriculture and land stewardship had requested this be funded out of the state's general fund. These subtleties will mean more later. Currently, there are \$600k worth of grant funds to be awarded at the next renewable fuel infrastructure program board meeting. PMCI Chair, Mark Cobb, and John Maynes serve on this board. If you have questions about the program and how to apply for awards, contact PMCI.

### **LEGISLATIVE GOALS FOR THIS YEAR**

Beyond the budget itself, lawmakers have expressed interest in addressing tax reform for individuals and corporations, education funding, water quality and worker skills training as priorities. Republicans maintain control over both the House and Senate. We will hear more about the impact of sales tax implications for the

state’s budget. A supreme court decision is expected to come down in June. Iowa’s sales tax collections are decreasing exponentially due to online purchases and consumers not remitting sales tax to Iowa.

### FEDERAL BIODIESEL TAX CREDIT STATUS

Many PMCI members are anxiously awaiting action by Congress to retroactively reinstate the \$1/gallon federal blender’s biodiesel tax credit. There is high anticipation among petroleum marketers and biodiesel producers that the credit will be reinstated retroactively one year to January 1, 2017 and instated one year forward through December 31, 2018. A special bulletin will be reported should Congress and the President take action on this and other credits discussed in a tax extender’s package.

### LIST OF BILLS THAT PMCI HAS REGISTERED ON

PMCI must register with the state on any issues we are actively discussing with lawmakers. At any point in time, we are monitoring hundreds of bills and amendments that may not be listed below. In most cases, until a final version of legislation is ready for a vote, registered lobbyists will simply register as “U” or “undecided”, in order to avoid the process of changing the registration whenever an amendment or committee vote occurs. This list will be updated weekly for PMCI members. The hyperlinks below will take you to the full information on the legislation

BILL #	SUMMARY	FLOOR MGR.	HISTORY	CURRENT STATUS	CLIENT	REG.
<a href="#">HF 2003</a>	A bill for an act relating to persons involved in the sale of alcoholic beverages, and making penalties applicable.		1/10 Introduced	1/10 Referred to Commerce	PMCI	U
<a href="#">HSB 507</a>	A bill for an act relating to the criminal offenses of the illegal use of a scanning device or encoding machine and criminal mischief in the third degree, and providing penalties.	Nunn	1/10 Introduced	1/10 Subcommittee: Nunn, Hinson and R. Smith	PMCI	U
<a href="#">SSB 3018</a>	A bill for an act modifying certain criminal acts involving payment cards, and including penalties.	Zaun	1/11 Introduced 1/11 Subcommittee: Zaun, Schneider, and Kinney	1/18 Subcommittee recommends passage	PMCI	U
<a href="#">SSB 3024</a>	A bill for an act relating to the criminal offenses of the illegal use of a scanning device or encoding machine and criminal mischief in the third degree, and providing penalties.	Zaun	1/17 Introduced	1/17 Subcommittee: Zaun, Schultz, and Kinney.	PMCI	U
<a href="#">SSB 3006</a>	A bill for an act relating to the definition of dangerous weapons to include simulated firearms.	Dawson	1/10 Introduced	1/10 Subcommittee: Dawson, Shipley, and Kinney	PMCI	S
<a href="#">HF 2046</a>	A bill for an act relating to the collection of sales and use taxes by certain out-of-state retailers, and including effective date provisions.		1/18 Introduced	1/18 Referred to Ways and Means	PMCI	U

PMCI reminds members that legislative initiatives are driven by grassroots mobilization and the PMCI Member Insight Meetings, specifically. We encourage you to participate in these meetings to help your voice be heard and reach out anytime you have a question or interest in a particular legislative issue. [Contact us to learn how.](#)

Finally, we will be on the road again throughout the legislative session with PMCI Regional Luncheons. Lawmakers are encouraged and invited to attend to allow PMCI members an opportunity to share opinions on legislative matters and educate elected officials. [Find a luncheon near you and register here.](#)